

Central Intelligence Agency



Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

12 January 1983

Japan: Managing Relations with China and the Soviet Union

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[redacted] Japanese and US relations with the two Communist powers and implications for the West of the Sino-Soviet talks will be high on Prime Minister Nakasone's agenda during his mid-January visit to Washington. He has already emphasized his determination to consolidate relations with China and has taken the initiative in promoting a dialogue with Moscow. In addition, however, he has publicly declared that he regards a strong alliance with the United States as indispensable for a successful Japanese policy toward China and the Soviet Union. [redacted]

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Challenges and Opportunities

China's identification of the USSR as its principal security threat, and the resulting emphasis Beijing placed on strengthening relations with Tokyo and Washington, yielded substantial benefits for the Japanese. In addition to expanded business opportunities in China, Japan's left-wing opposition was undercut on security issues by China's endorsement of both the US-Japan Mutual Security Treaty and a moderate strengthening of the Self Defense Forces. [redacted]

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This memorandum, requested by State Department officials for use in preparation for visit by Prime Minister Nakasone, was prepared by [redacted] Japan Branch, Northeast Asia Division, Office of East Asian Analysis. Information available as of 12 January 1983 was used in its preparation. Comments and queries are welcome and may be directed to the Chief, Japan Branch, Northeast Asia Division, OEA, [redacted]

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Recent events, however, have forced Tokyo to initiate a reappraisal of the Sino-Soviet-US triangular relationship and the implications for Japan.

- Two weeks before Nakasone took power, a new leadership was installed in Moscow, opening up the possibility that the Soviets might reappraise their policy toward Japan.
- Ten days before Nakasone's election, the foreign ministers of China and the USSR held the highest level-official meeting in 13 years.
- The new prime minister, moreover, took office at a time when US-Japanese relations had entered a period of unprecedented tension over trade and defense issues.

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These developments seem to have registered strongly with Nakasone, who appears eager to respond quickly, forcefully, and creatively. His first foreign policy initiative was to request an invitation to Washington. While we believe that his primary motivation was to get bilateral relations back on track, he made it clear that relations with the two big Communist powers also figured prominently in his thinking. In an interview with an American journalist published in mid-December, Nakasone said:

I want to establish a firm and very strong bond between (Japan and the United States). On the basis of this strong tie, we can develop our policies vis-a-vis the Communist bloc nations.... Without a strong US-Japan relationship, we cannot afford to have any effective Soviet policy...or any productive China policy.

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While preparing for his visit to the United States, Nakasone was also initiating contacts with the Soviet Union and China. Within 12 days of his inauguration, he:

- Met with Chinese Ambassador Song and telephoned Chinese Premier Zhao.
- Consulted with his ambassadors to Moscow and Beijing.
- Agreed to meet with Soviet Ambassador Pavlov, breaking the precedent set by former Prime Minister Suzuki, who had kept the Soviet Ambassador at arm's length.

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Tokyo also invited Soviet Minister of Fisheries Kamentsev to visit Japan in February for consultations with his Japanese

counterpart. Kamentsev will be the first Soviet cabinet minister to visit in an official capacity since the invasion of Afghanistan. In addition, the Prime Minister allowed Nagano, president of the Japan Chamber of Commerce and Industry, head of the Japan-Soviet Economic Committee, and a long-time promoter of Soviet-Japanese trade, to proceed with plans for a high-level Japanese business delegation to visit the Soviet Union. The 150-member mission will be the first of its kind since September 1979. Although Foreign Ministry officials have told the US Embassy that the Kamentsev and Nagano visits were being planned well before Nakasone became Prime Minister and have stressed that this did not represent any softening of Tokyo's stance toward Moscow, we believe Nakasone welcomed them as opportunities to improve communications with the new Soviet leadership. [redacted]

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#### Possible Policy Response

Soviet-Japanese Relations: Despite these moves, we believe Japan will wait for an initiative from Moscow before considering any policy change. [redacted]

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[redacted] Nakasone's key political ally, former Prime Minister Tanaka, believes that the new prime minister will continue to insist that return of the northern territories is a precondition to a peace treaty with the Soviet Union. [redacted]

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[redacted] We believe that, while standing firm on the principal outstanding problems between the two countries, Nakasone is sensitive to the opportunity that a change in Soviet leaders represents for Japan. There is no indication, however, that either Nakasone or anyone else in a position of responsibility is optimistic that the Soviets will make any basic changes in their policy toward Japan. [redacted]

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In security matters, we believe Nakasone will not permit Soviet propaganda pressure to divert him from his effort to tighten the alliance with the United States and strengthen Japan's defense posture. Given his well established reputation as an anti-Communist and a hawk, however, Nakasone will probably find it politically advantageous to avoid highlighting his view of the USSR as Japan's only serious potential enemy and instead project an image of flexibility and statesmanship. "In my view," he said recently on national television, "(there is) nothing more unfortunate and dangerous than not having an opportunity to talk with one's toughest opponent." [redacted]

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Nakasone's approval of the Nagano mission suggests that he believes it prudent to respond to business pressures to relax restrictions on trade with the Soviet Union. In 1981, bilateral

trade amounted to \$5.3 billion, only 1.8 percent of total Japanese foreign trade. Nevertheless, for some Japanese manufacturers of steel and machinery, the Soviet market is important, and the Prime Minister will probably try to accommodate them. [redacted] many Japanese business leaders believe that prospects for expanding trade with the USSR are not promising. [redacted]

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Sino-Japanese Relations: Nakasone has taken every opportunity to stress his adherence to Tokyo's long-standing policy of promoting friendly relations with the People's Republic. The Chinese in turn have publicly said that they are committed to maintaining good relations with his government. [redacted]

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Beijing, nonetheless, has adopted a more demanding attitude toward Japan over the past six months. For example, the Chinese used the textbook affair last summer and fall to play up the potential dangers of right-wing militarism in Japan. With that specific controversy resolved, Beijing now says little about the dangers of militarism, and it continues to support a moderate Japanese defense buildup. In our view, however, Beijing is still holding to a neutral position on the US-Japan Security Treaty in contrast to its earlier strong support. Possibly because they are worried about what this shift in policy portends and possibly because they are afraid of provoking an overreaction in their own government, Japanese Foreign Ministry officials in Beijing and Tokyo emphasize to US officials that nothing has changed. [redacted]

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Sino-Soviet Relations: [redacted] the Foreign Ministry is advising Nakasone that the improvement in Sino-Soviet relations will be limited and that a basic reassessment of Japan's security and foreign policies is not required. At the same time, the potential stakes for Japan remain high, and Tokyo will be monitoring developments closely. The Foreign Ministry probably anticipates that both China and the Soviet Union will attempt to use any improvement in their relations to gain leverage in their relations with Japan and the United States. [redacted]

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The Foreign Ministry is stressing to US officials that Japan and the United States should not be too worried about improved relations between the Soviet Union and China, which they see as a self-limiting process that will stop well short of threatening the West. The Ministry sees Beijing assuming a more independent, nationalistic stance and attempting to stake out a position equidistant from the United States and the Soviet Union. Japanese officials also believe, however, that the Soviet Union remains China's chief security concern and that Japan and the United States remain China's key foreign sources of support for

modernization. [redacted]

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[redacted] the Ministry believes that the Soviet Union under Andropov will attempt to improve relations with China by negotiating force reductions along their common border and--possibly--by pulling troops out of Afghanistan. But it also believes that Moscow would have to terminate all aid to Vietnam to achieve a significant rapprochement with China and that Moscow is not likely to take this step. [redacted]

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#### Implications for the United States

Nakasone will arrive in Washington mindful that relations among the major powers engaged in East Asia are undergoing adjustments. We believe that these changes, combined with the advent of the Andropov regime, are perceived by the Prime Minister as sufficiently worrisome to demand immediate attention on his part. Nakasone's public statements suggest that, in his meetings with US officials, he will want as clear a picture as possible of how the United States plans to respond to improving Sino-Soviet relations. He will want to ensure that the US and Japanese governments are prepared to move in tandem on East-West issues and that he will not be surprised by US initiatives. For example, Foreign Minister Abe has expressed concern that an arms limitation agreement with Moscow might shift Soviet SS-20s from the European to the Asian theater. [redacted]

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[redacted] Japanese Foreign Ministry officials are concerned that Nakasone might overreact to a disappointing visit to Washington, possibly by softening policy toward the Soviet Union or seeking a summit meeting with Andropov in Moscow. We do not concur in this assessment. We believe Nakasone is well aware of the negative impact such a reaction could have on the US-Japanese relationship. If anything, with his US base still not secure, he would be likely to proceed even more cautiously in his dealings with the Soviets. Toward the Chinese, he might be more accommodating. [redacted]

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(12 January 83)

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